

Message Text

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SUBJ: MEDIA REACTION TO CANADIAN GOV'T. CONTRACT WITH
LOCKHEED

REF: 76 OTTAWA 2995

CALGARY'S MORNING NEWSPAPER, THE ALBERTAN, CARRIED AN EDITORIAL IN ITS JULY 23 ISSUE RELATING TO THE CANADIAN GOVERNMENT'S CONTRACT WITH LOCKHEED FOR THE PURCHASE OF LONG-RANGE PATROL AIRCRAFT. THE SALIENT PARTS OF THE EDITORIAL ARE:

THE GOVERNMENT APPEARS TO HAVE STRUCK NOT A BARGAIN BUT A REASONABLY GOOD DEAL. CERTAINLY THE PROSPECT OF A "CLEAN" CONTRACT, WITH NO RESPONSIBILITY FOR LOCKHEED'S INTEREST CHARGES AND THE PROVISION OF DOLS 583 MILLION IN DIRECT BENEFITS AND A POSSIBLE DOLS 350 MILLION IN INDIRECT BENEFITS TO CANADA'S AEROSPACE INDUSTRY, IS MORE THAN ATTRACTIVE.

NO ONE EVER SUGGESTED THAT THE LARGEST PEACETIME MILITARY CONTRACT IN CANADA'S HISTORY WOULD BE EASY TO CONSUMMATE. THE ARGUMENTS OVER THE TERMS OF THE DEAL, THE NECESSITY FOR SUCH A SOPHISTICATED AIRCRAFT,
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THE CHOICE OF THE FINANCIALLY TROUBLED LOCKHEED FIRM

AS THE SUPPLIER AND THE REALIZABLE BENEFITS THAT WILL
FLOW FROM THE DECISION WILL PROBABLY NEVER BE ANSWERED
TO EVERYONE'S COMPLETE SATISFACTION. THE FACT IS,
HOWEVER, THAT BY 1980-81, CANADA WILL HAVE A VERSATILE
LRPA CAPABLE OF MEETING OUR NATO COMMITMENTS TO PATROL
AND DEFEND THE NORTH ATLANTIC AND OF DEFENDING NORTHERN
SOVEREIGNTY - PERHAPS EVEN SUITABLE FOR PATROLLING OUR
200-MILE OFF-SHORE FISHING ZONES.

AS IMPORTANT IS MR. RICHARDSON'S ASSURANCE THAT THE
ORION/AURORA DEAL WILL NOT JEOPARDIZE CONSIDERATION
OF TANK AND SHIP REPLACEMENT IN THE 1980'S: THE
CABINET'S 12 PERCENT, FIVE-YEAR ESCALATOR CLAUSE
IN THE DEFENSE BUDGET WILL SEE TO THAT.

GIVEN THE APPARENT SOUNDNESS OF THE NEW DEAL THAT
SUPPLY MINISTER JEAN PIERRE GOYER HAS STRUCK, U.S.
GOVERNMENT ASSURANCES OF BACKING FOR LOCKHEED, AND
THE PROMISED BENEFITS FOR CANADA'S AERO INDUSTRY,
THE AURORA WAS ALMOST WORTH THE STORMY FLIGHT.
HALL

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